Appendix 1

Commissioning & External Support Policy

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1. Introduction

Our Commissioning Framework helps us **focus our resources on the things that matter and make a difference to people's lives.**

Canterbury City Council's definition of commissioning is:

"Getting the best outcomes from the right provider to secure best value"

Commissioning relies on us having good relationships with our customers, partners and existing providers, and engaging at the appropriate times to ensure that the decisions made have the greatest positive impact.

The principles that underpin the council's approach to commissioning and enable us to deliver the most effective results in the most efficient way are:

1. **Understanding needs** to identify priority outcomes for those living, working or visiting our district – including identifying those outcomes which are shared with partners.
2. **Focussing resources** on functions and activities that will make the greatest contribution to those outcomes.
3. **Ensuring best value** when commissioning goods, works and services.
4. **Managing performance** to ensure continuous improvement that supports the delivery of quality services and customer satisfaction.
5. **Accountability** to ensure appropriate governance arrangements are in place to effectively support and deliver the commissioning process.

Through the commissioning process, we will **focus our resources on identifying the right services and activities and will then test who is the best provider.**

Our aspiration

Canterbury City Council will ensure best value by targeting our investments in internal and external services, to respond to and deliver our corporate plan. To achieve this, the council will work with the diverse cultural, sports and voluntary sectors to complement and enhance our local economy and vibrant communities. These communities will feel empowered to identify and provide services in response to local social and economic need, helping to support people, places and prosperity within the district.

Aim – This policy will provide a set of principles to ensure council funding and support is distributed fairly and transparently in order to achieve our aspirations.

Scope – The principles outlined in this document will cover the administration and distribution of both cash and in kind funding and support. This includes, but is not limited to, commissions, grants and concessions.

This policy is primarily aimed at the cultural, sports and voluntary sectors administered via the Commissioned Services Division and excludes Area Member Panel funding and support for Business and Regeneration. However, the principles of good practice, transparency and fairness should apply to all support offered by Canterbury City Council to any external agency.

Objectives –By 2020 Canterbury City Council will:

- Ensure 'best value' by measuring and assessing the impact of all the funding and support offered via routes including but not limited to contracts, commissions, grants and concessions based on the priorities and aspirations set out in the Corporate Plan
- Encourage the sustainable development of activities in receipt of funding and support by promoting resilient operating models and collaboration
- Promote growth and diversity by supporting innovation and developing skills
- Have created an accessible, transparent and relevant support programme that enables the development of third sector providers
- Inform future investment and activity utilising the impact assessments to ensure progress and improvements are being made
- Establish strong, reciprocal relationships with our sectors of interest that increase opportunities for involvement and a shared vision for the District

2. Current picture / context

Canterbury City Council is committed to delivering excellent services whilst achieving great value for money. In order to do this we have embarked on a programme of continuous development to ensure all services provided by or supported by the council are relevant and responsive to customer needs, cost effective and committed to effective performance management and improvement. We understand and value the support of our partners provide in helping us achieve our aims and whilst this policy focuses on key sectors of interest the principle of continuous improvement is being applied across all council services.

Key Sectors of Interest

The voluntary, cultural and sports sectors all play an important role in the social and economic success of our district. There have been numerous changes nationally and regionally to the support allocated for these sectors, which has the potential to effect the growth and sustainability of our sectors locally. This section of the policy will briefly summarise the operating context of our sectors of interest:

Voluntary

There are 137,900 general charities (excluding independent schools, housing associations, government bodies etc.) in England and of these 49% are considered to be micro organisations. The voluntary sector employs around 820,000 people in the UK and is a catalyst for an estimated 21 million volunteers.

The impact of the recession has had a considerable effect on the sector with increasing demands[1] on the services coupled with a reduction of £1.7 billion[2] in government grants and contracts since 2010/11.

There are 216 Charities registered on the Charity Commission website in the Canterbury District. Of these, 46% have an annual income under £10,000 and 88% have an income under £100,000.

Culture

The Creative Industries is worth £76.9 billion a year to the UK economy and grew almost ten per cent in 2013, which was three times that of the wider UK economy. Jobs in the Creative Industries accounted for 5.6 per cent of all UK jobs equating to 1.7 million in 2013. However, the Cultural sector is facing similar funding challenges to the voluntary sector. Arts Council England experienced a reduction of over 37% in their grant from central government between 2010 and 2014 and whilst central funding in this area has stabilised, the impact of these reductions are being felt regionally[3], with increasing competition between the regions and identification of 'priority' areas linked to deprivation and low arts engagement.

Canterbury District's relative or perceived affluence compared to our east Kent and north Kent neighbours means that local competition for funds is very fierce and pockets of deprivation within the district are often overlooked e.g. Heron and Gorrell wards.

Sports

Sports participation is valued nationally to contribute to around £11.2 billion a year in health benefits, therefore public sector funding, (whether from Sport England, County Sports Partnerships or local authorities) is increasingly focused on supporting initiatives which can measure these benefits. This places a greater emphasis on monitoring and evaluation of activities, which is an area of work that the voluntary sector finds extremely challenging.

The sports sector locally is relatively buoyant with 43.1% of the local population taking part in organised sport by belonging to a club, receiving tuition or taking part in competitive sport compared to 33.6% nationally. Increasingly, the trend is towards individual goal-based activities – cycling, gym, swimming, fitness and conditioning and athletics – rather than team based sports. Sport locally relies on a strong volunteer base with 5.8% of the adult population being regular sports volunteers. Like the voluntary and cultural sectors there are funding challenges for community sports organisations, particularly team based sports, as facilities need investment.

Our Support

We are one of a number of agencies and funders who support activities and organisation across the District. Our role is to ensure that any support offered is targeted

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[1] 52% reporting increased demand State of the Sector, March/April 2014, nfpSynergy

[2] UK Civil Society Almanac 2015

[3] 30% of all Arts Council funding is awarded to London with the remaining 70% spread across England.

to meet local needs and our Corporate Priorities. However, we recognise the social and economic contribution these sectors make in forming and developing our local communities so we aim to balance our corporate priorities with our desire to support the development of these sectors locally. In order to do this we will work with regional and national strategic partners e.g. Kent County Council to ensure that wherever possible our policies and procedures are complementary.

3. Key issues and strategic responses

In order to realise the vision and objectives outlined at the beginning of the policy, we will maintain consistency in the design and implementation of funding and support programmes. Consistency will be governed by the adherence to the following principles:

- Differentiation between core support awarded for organisations and support awarded for projects with outcomes that will benefit the end users of services.
- Target groups will be prioritised based on the Corporate Plan 2016-2020. This will allow us to ensure that resources are balanced across priority areas and will improve impact assessments over time.
- Funding will be proportional to our expected outcome. Therefore, scale and duration of funding agreements should reflect the agreed aspirations and ambitions set out in the applications so that impact monitoring is meaningful.
- The support will aim to be representative across the identified target groups and corporate priorities.

- We will maintain a balanced approach to risk, ensuring investment in new projects and organisations to encourage innovation and build capacity as well as supporting established activities and institutions.
- Financial (and reputational) risk will be managed via fit for purpose funding agreements, and contracts and will be applied consistently across the organisation
- Eligibility criteria will be linked to the purpose of the support and will not unduly restrict the growth of sustainable organisations.

- Priorities and performance monitoring will be linked to the Corporate Plan and will be monitored via the residents' survey as well as direct reporting from organisations.

- The design of support programmes will be informed through collaboration and consultation with our sectors of interest.

Application of the Principles

In order to support the application of these principles into the design of support programmes the following guidance should be adhered to:

Commissioning for Outcomes

In recognition of the important role external organisations play in the delivery of services to residents and visitors to the district the council might choose to commission or issue grants in order to support the delivery of our corporate priorities. This could range from commissions and contracts through which the council will request applications to address a specific priority need e.g. youth programmes to promote health and wellbeing or grants requested by organisations to support an identified need within a community of interest. Processes and procedures may vary depending on the scale of the support, but the following guidance should always be adhered to.

- This support will primarily be project based i.e. have a fixed timescale with defined outputs. Applications for core funding will still be considered as long as the organisations core priorities are closely aligned with our corporate plan and associated funding priorities.
- Programmes designed to deliver this kind of support should be clearly aligned and assessed based on the current corporate priorities. Any specific priorities and outcomes for these programmes will be identified and recommended by the Strategic Grants Panel before ratification by the Community Committee.
- Eligibility restrictions should be carefully considered and only applied if directly applicable to the outcome that is being delivered
- Applications should be assessed using a transparent scoring mechanism which is available to applicants in advance of making an application
- A summary of successful applications should be made public on an annual basis

Support for Organisations

In order to safeguard the sustainable delivery of the council's corporate objectives, it is necessary to ensure that external sectors are buoyant and able and ready to respond to commissioning opportunities. This support will be awarded when there is evidence of Market Failure[4] locally.

To support the growth and development of the three sectors described in this policy, the council might chose to provide funding concessions e.g. rent concessions to external organisations or enter into a different arrangement with the organisation in question taking into account legal constraints including state aid. Organisations will still be assessed based on their contribution to the council priorities but decisions will be made based on the organisations' operational and financial stability and sustainability.

Support can be awarded as a one off or as a multi-year agreement. For multi-year agreements there will be an expectation that the funding will be tapered and those organisations will actively seek to replace the council's contribution with earned income or by attracting other funding and donations.

[4] For the purposes of this policy Market Failure will mean support for organisations will be awarded when there are no other similar organisations operating locally that could service the community need.

In some cases emergency support might be awarded in order to assist with unforeseen circumstances. However, organisations that have had to apply for emergency assistance will not be eligible for the *Support for Outcomes* programmes and may not reapply for emergency support within a 2 year period. These restrictions do not apply to any council funded skills development programmes which can still be accessed by staff and volunteers (including Trustees) of the organisation.

These restrictions seek to address an overreliance on council support for core operating costs which make external organisations vulnerable to the reductions faced by local authorities in the future.

Monitoring and Impact Assessments

A certain level of monitoring will be required for any support & investment offered by the council to inform impact assessments and inform future allocations. However, monitoring requirements should be clearly defined at the outset of the design of any support programme and applicants should be made aware of these criteria before the commencement of any support agreement.

Monitoring data will be used by Officers and Councillors to produce and publish annual impact assessments based on corporate priorities and will inform the design of future support programmes.

Collaboration and Consultation

The council will endeavour to maintain an open line of communication with all of our sectors of interest in order to inform, consult and collaborate with current and potential partners. Through real and virtual networks we will encourage feedback and suggestions to ensure support programmes are relevant and effective.

4. Outcomes

Interdepartmental adherence across the council to the principles and guidance set out in this policy will:

- Enable a coordinated approach to deliver corporate priorities whilst still maintaining support that is flexible and responsive to need
- Enhance relationships with external organisations through a consistent, fair and transparent process that balances corporate priorities with practical considerations
- Reduce administration internally and externally by adopting common processes and monitoring systems

5. Budget

Budget allocations will be decided by the Council on a four year cycle (subject to budgetary provision & review) and will form the basis for the support programme for the next cycle. The programme will be informed and designed based on the previous cycle's impact assessments and updates to the Customer and Community Profile. Recommendations on these allocations and priorities will be made by the Strategic Grants Panel before being ratified by the Community Committee.

6. Review

As this is a new policy it is recommended that it should be reviewed following the first full annual cycle (2017/18) of the support programme and any adjustments made accordingly.

Following this review the policy will be run until 2020 and will be refreshed in line with the new Corporate Plan.